



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

May 30, 2017

The Honorable Michelle L. Fischbach  
President of the Senate  
Room 2113, Minnesota Senate Building  
St. Paul, Minnesota 55155

Dear Madam President:

I have vetoed and am returning Chapter 2, Senate File 3, a bill relating to labor standards that would preempt local governments' ability to set wage and benefit levels higher than state law.

The role of state government is to set minimum standards for workplace protections, wages, and benefits, not maximums. Should local officials, who were elected by their constituents in their communities, approve higher wage and benefit levels to meet the needs of their residents, they ought to retain the right to do so.

Local governments can be more adept at responding to local needs with ordinances that reflect local values and the unique needs of their communities. State government does not always know what works best for every community, and may lag behind when improvements are needed.

As an example, in 2014 I signed into law an increase in the minimum wage that rose to \$9.50 per hour for large employers on August 1, 2016, with modest inflationary increases scheduled to go into effect on January 1, 2018. While long overdue, we already are learning that the increase isn't keeping pace with our changing economy. A full-time worker earning the minimum wage earns an annual salary of only \$19,760 which is about \$5,000 below the poverty level for a family of four.

By making the bill retroactive to January 1, 2016, Senate File 3 would strip 150,000 workers of the earned sick and safe time benefits they have secured that are scheduled to go into effect on July 1 of this year. This would be particularly hard on low-wage workers, because access to paid sick leave is not evenly distributed across occupations. Workers in low-wage jobs are the least likely to have access to paid sick time, and have the least financial ability to forego wages to take unpaid time off from work to care for themselves or a sick family member.

If the concern is truly to set uniform labor standards throughout the state, to avoid the so-called patchwork of labor standards that proponents allege would burden businesses, legislation instead should have proposed to improve wages and benefits statewide, such as a higher minimum wage and statewide earned sick and safe time.

Instead, this legislation interferes with local control, harms workers, and takes away the power of citizens to make positive changes in their communities.

The legislation also includes changes to public employee retirement plans and addresses wage theft. These provisions would improve the economic security of tens of thousands of Minnesotans, including hardworking state employees and retirees. It is reprehensible that the Republican legislative majorities would attach these provisions to the preemption legislation which I have said for weeks that I would not accept.

Attached is the letter released today by Minnesota Management and Budget regarding the legislative ratification of collective bargaining agreements and compensation plans including ratification of memorandums of understanding that provide paid parental leave for state employees. As the letter describes, the ratification by the legislature of those provisions was effective immediately upon the final votes of the Senate on May 24 and the House on May 25, 2017. The veto of this bill has no legal effect on the on the bargaining agreements and compensation plans.

Sincerely,



Mark Dayton  
Governor

cc: Representative Kurt Daudt, Speaker of the House  
Representative Melissa Hortman, House Minority Leader  
Representative Pat Garofalo, House  
Senator Paul E. Gazelka, Senate Majority Leader  
Senator Thomas M. Bakk, Senate Minority Leader  
Senator Jeremy Miller, Senate  
The Honorable Steve Simon, Secretary of State  
Mr. Cal R. Ludeman, Secretary of the Senate  
Mr. Patrick Murphy, Chief Clerk of the House of Representatives  
Mr. Paul Marinac, Revisor of Statutes

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MAY 30 2017

**m** MANAGEMENT  
AND BUDGET

May 30, 2017

Governor Mark Dayton  
Lieutenant Governor Tina Smith  
130 State Capitol  
St. Paul, MN 55155

Governor Dayton and Lieutenant Governor Smith:

Pursuant to Minnesota Statutes section 3.855, state labor contracts, compensation plans, and arbitration awards are given permanent effect once they are ratified by the full legislature. During a special session on May 24, 2017, the Minnesota Senate voted to ratify the 2015-2017 arbitration award and labor agreement between the state of Minnesota and the Minnesota Government Engineering Council (MGEC), and the memorandums of understanding (MOU) and compensation plan amendments providing paid parental leave to state employees. On May 25, 2017, the Minnesota House of Representatives ratified the same. Legislative ratification was effective immediately upon the final votes of the legislature on May 25, 2017.

Accordingly, Minnesota Management and Budget is implementing the 2015-2017 arbitration award and labor agreement between the state of Minnesota and MGEC, and the following MOUs and plan amendments providing paid parental leave to state employees:

- American Federation of State, County, and Municipal Employees (AFSCME), Council 5
- AFSCME, Unit 225, Radio Communications Operators
- AFSCME, Unit 208
- MN Assoc. of Professional Employees
- Middle Management Assoc.
- MN Nurses Assoc.
- State Residential Schools Education Assoc.
- MN Law Enforcement Assoc.
- MN Government Engineering Council
- MN State Univ. Administrative and Service Faculty
- Minnesota State College Faculty
- Commissioners' Plan
- Medical Specialists' Addendum to the Commissioners' Plan
- Managerial Plan
- Office of Higher Education  
Unclassified Personnel Compensation Plan
- State Board of Investment Salary Administration Plan
- MNsure Compensation Plan
- Minnesota State Personnel Plan for Administrators

Sincerely,



Myron Frans  
Commissioner